

Planning Department, Transportation Agency, Housing Agency, and Department of Liquor Control

Honorable Arthur Brun
Honorable Mason K. Chock
Honorable Mel Rapozo
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa
 Honorable Derek S.K. Kawakami
 Honorable JoAnn A. Yukimura

The Committee reconvened on April 7, 2017 at 9:05 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call back to order the Budget & Finance Committee and the Fiscal Year 2017-2018 Departmental Budget Reviews. On the schedule for today, April 7, 2017, we will be hearing from the Planning Department, Transportation Agency, Housing Agency, and the Department of Liquor. As we do each morning, we will take public testimony first thing in the morning. Is there anyone in the audience wishing to testify?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: Seeing none, with that, we will bring up the Planning Department. Mike, do you have a quick presentation for us?

MICHAEL A. DAHILIG, Planning Director: Good morning, Councilmembers. Mike Dahilig, for the record. I have prepared a short budget synopsis for the Council to just go over the tenets of our budget proposal this year. So we will pretty much cover the 2018 budget request, any changes related to the 2017-2018 budget, and then have a discussion on the vacant position and plans for recruitment. The breakdown is we are pretty much asking for four point four percent (4.4%) increase in the Departmental budget. This is reflective largely, of collective bargaining increases as most Departments are asking for, as well as we are asking for maintain flat funding, but continued Coastal Zone Management (CZM) funds for coastal research, as well as the continued request for micro-funding for Rice Street redevelopment. There is an increase for coastal extension agent costs due to collective bargaining salary adjustments. The Sea Grant Coastal Agency is a member of a collective bargaining Unit 8 under Hawai'i Government Employees Association (HGEA), and they are also subject to a similar promotional schedule and step increases that our Unit 3 and other similar Units are asking for.

So just from a breakdown standpoint, we are looking at pretty much the majority of the operating budget coming from salaries and wages as well as benefits. The operating budget is only about thirteen percent (13%). With respect to the Planning Commission, there is an error on the corner. That should be a zero (0), not fourteen point two four percent (14.24%). Again, we are asking for a flat budget for Commission support. Again, our

Department supports three (3) Commissions, and we will potentially be supporting a fourth Commission in terms of operation. But we are still asking for flat funding across between the 2017 and 2018 budgets. Just to reiterate, it is level funding. We are asking for continued Hearing Officers support for Commission due process cases. Next Wednesday, we are going to be discussing, I am aware from the Council agenda concerning the Zoning Board of Appeals. How we will implement that, I think, will probably a discussion. But at least for budgetary purposes, we are not asking for monetary support at this time for the Zoning Board of Appeals.

In terms of travel costs, again, we are delineating the travel cost between the budget and the Department for usage. With respect to position changes, we do have two (2) positions that we are currently open on. Right now, we only have one (1) in recruitment. That is Position No. 2027. With that, that is all I have, Councilmembers. I am available for questions.

Committee Chair Kaneshiro: Thank you. I do not think I have ever heard you speak that fast before. It was quick and to the point. Do we have any questions for Planning? I think the only question I had was on the University of Hawai'i Sea Grant, and you answered that in the presentation already. Do we have any questions from the Members? Are there any questions on the presentation?

Council Chair Rapozo: What was the employee number for the Planner?

Committee Chair Kaneshiro: Position No. 2027.

Councilmember Brun: 2005.

Committee Chair Kaneshiro: 2005.

Mr. Dahilig: Yes.

Council Chair Rapozo: What about Position No. 2008?

Mr. Dahilig: Position No. 2008 is the currently held position for return rights.

Council Chair Rapozo: Oh. You said Position No. 2027...

Mr. Dahilig: Position No. 2027 is open recruitment. We are going to pull the list of names probably sometime either today or next week, but that is in open recruitment right now.

Council Chair Rapozo: Okay, and that one has been vacant since January 2016?

Mr. Dahilig: Yes. We had a promotion. Marie Williams moved from that position over to the Chief of Long-Range, and the Chief of Long-Range was vacated by Peter Nakamura's passing. So that is the sequence that has been going on. So that is Marie Williams' former position.

Council Chair Rapozo: Right, but that has been vacant since January 2016?

Mr. Dahilig: Yes.

Council Chair Rapozo: Are you trying to fill it, or when you heard the Council was going to cut open vacant positions, you figured you better go get these things filled? Is that what is going to on?

Mr. Dahilig: No. The discussion was do we want to repurpose the position, and we had to go through the process of first creating selective certification. We do not have support right now for historic preservation planning in our Office. So we had gone out a number of times with a selective certification for recruitment and both times, we did not yield the amount of candidates. So we have to essentially pare down the position from what we initially proposed as the specific need. There was activity constantly going on, not just at the eleventh hour.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. Mike, regarding the micro-funding for Rice Street, is that what is reflected in the Special Projects?

Mr. Dahilig: Yes. It is indicated under Account No. 801-512.53.

Councilmember Chock: What are you doing with that?

Mr. Dahilig: Pretty much since we have had the branding elements and the business development elements, this funding is meant to support the community organization that has started to come around and meet and talk about how business is and how to move forward with the branding elements on the street. So this is just meant to support them in those efforts.

Councilmember Chock: So they continue to meet and focus on how to implement?

Mr. Dahilig: Right. Right now, their plan is to do some street activities. This would also support things like the Farmers Market and those types of activities. So we feel it is a small amount, but it supports the businesses in the area.

Councilmember Chock: I see investigations in a different area, but I just wanted to get a clearer understanding.

Mr. Dahilig: Contested case hearing?

Councilmember Chock: Yes. Where is that located?

Mr. Dahilig: That would be located under the Commission budget, which is an 802 line item under account 802-512.30 under Other Services.

Committee Chair Kaneshiro: It is on page 92.

Mr. Dahilig: 801 is our Department and 802 is the Commission.

Councilmember Chock: So you have \$50,000 for that?

Mr. Dahilig: Yes.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: My question was the same thing on the Rice Street. So you have \$10,000 budgeted right now?

Mr. Dahilig: Yes.

Councilmember Brun: How much more will that project cost?

Mr. Dahilig: Pretty much we are looking at rolling funding. So last year, this current fiscal year we have \$10,000. We are looking at just a limited amount again for the upcoming year. So we are not having it fixed to a specific type of project, but rather whatever the businesses are coming up with as community activities to try to highlight business on the street.

Councilmember Brun: Okay. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Mike, the \$50,000 that Councilmember Chock asked about, is that for the Hearings Officer?

Mr. Dahilig: Yes.

Council Chair Rapozo: Not for investigations?

Mr. Dahilig: No, that is the Hearings Officer.

Council Chair Rapozo: I see you have some positions. I noticed you have the Additional Dwelling Unit (ADU)/Transient Vacation Rental (TVR) Enforcement Specialist and TVR Permit Enforcement Specialist, and those are not funded. Program Manager. Are you planning to have any kind of enforcement beyond what we currently have because I think I keep hearing that we do not have more resources? But is that something that we should be look at?

Mr. Dahilig: I will say that in terms of warm bodies right now, the largest Division in my Department is now the Enforcement Division. So in terms of warm bodies, I could always say that we need more. But in terms of operational moneys, if you turn to page 14 of the budget report, we are required under Ordinance No. 938 to actually disclose the balance of our ongoing fund account. This past fiscal year, we pulled in less than \$30,000 that we used as part of a cash fund to support the operational costs for the warm bodies that we have in the Department. So to-date this fiscal year, we have pulled in a little over \$40,000 so far in fines. So we are using those moneys to support the operational requirements of the Enforcement Division. So that is why we are not asking for any operational additions in this part of the budget.

Council Chair Rapozo: But I mean, we do not have resources to go out and do proactive TVR enforcement, correct?

Mr. Dahilig: That is what we use the fine account for now.

Council Chair Rapozo: Right, but that is not enough. We have so many TVRs right now and so many illegals with the Airbnb, which we discussed a day or two (2) ago. We have so many of these that it is getting worse, and I am talking about Airbnb. People are now renting parts of their yard with a tent outside for Airbnb.

Mr. Dahilig: Yes.

Council Chair Rapozo: We cannot go out and enforce our TVR law with the existing resources. I mean, you might get \$30,000 from fines, but these people have regular duties, right? Do they enforce all of the Planning Codes?

Mr. Dahilig: The way we have our division of work within the enforcement group, we have three (3) staffers that are specifically tasked for TVR enforcement, one (1) for Comprehensive Zoning Ordinance (CZO) enforcement in general, and one (1) for Coastal Zone Management enforcement. So we have done that in a manner to create more specialty with each of the inspectors, but as of this time, in terms of people that are deployed, we have three (3) people that are deployed specifically for TVRs. Council Chair Rapozo, on the comment concerning whether or not there is enough resources behind the operation, I will say that what we are doing, even though we are gaining success in what we do, it is a drop in the bucket compared to the temptation to use these homes or dwellings illegally because the practice of renting it as such is very lucrative. So part of our ongoing

challenge has been even though we are able to cite and enforce, because they have a pipeline of cash that is going on in the order of \$10,000 to \$20,000 a week, they are catching us in the due process side. So being able to execute the work product my enforcement people are coming out, having to go through contested case hearings, and having to fight on the litigation side is what is slowing down our processes. What we have done in response is we have hired a second Hearings Officer rather than have it stuck with one (1). Right now currently, some attorneys are trying to actually have our only Hearings Officer be recused because of certain issues. So these are the games that we constantly have to play, but in terms of comprehensive enforcement, certainly, we could always use more resources.

Council Chair Rapozo: How many TVR violations did we issue last year? I am talking about the ones that do not have the TVR permit numbers in the advertisement, the low-hanging fruit? I am talking about the ones that do not require much other than you go down by the house, look, does not have the number on the sign. How much have we done last year?

Mr. Dahilig: Let me get you that number. I do not have...

Council Chair Rapozo: Is it more than a hundred?

Mr. Dahilig: It is in the dozens in terms of what we have been able to execute.

Council Chair Rapozo: It is complaint driven?

Mr. Dahilig: No.

Council Chair Rapozo: So we have somebody out there every day checking these?

Mr. Dahilig: I will use this, and I heard this story from my enforcement people. The net effect of what we have seen in terms of our enforcement efforts is that now in certain situations, people that advertise illegal TVRs have been advertising on the websites only on Saturdays and Sundays. They will put it up on a Friday afternoon and pull it down on a Sunday afternoon. It is an ongoing cat-and-mouse game with these people where now that we are actually doing the proactive enforcement and checking up on websites and not just being complaint driven, because at this point...

Council Chair Rapozo: Mike I can pull up right now...

Mr. Dahilig: Yes.

Council Chair Rapozo: Right now, it is not a Saturday and it is not a Sunday. I can go right now on this computer and I can find you, how many would you like without a TVR certificate number? So it is not just Saturday and Sundays. It is rampant and we have been down this road before. All I would like to see is this County take some

proactive measures against these illegal TVRs. That is not too much to ask. I know with your current staff, it is difficult because they you folks respond to a lot of complaint driven calls and they have to go all over the place. Why can we not have for one (1) year, twelve (12) months, dedicated investigators that is all they are going to do? That is all they are going to do. They come in the morning at 7:45 and put them on contract. Make them work on Saturdays and Sundays if it is a problem. Why do we not have a concentrated, dedicated effort to catch these people, and again, the TVR number on the sign is prima facie. What do you have to prove? If you have a TVR, do you have TVNC on your... "no, violation." What are they going to do? Fight that? To me, rather than try and dig deep into the Code, just go after those. That is what I am asking for. Please consider doing that for one (1) good, solid year, or six (6) months even.

Mr. Dahilig:

Okay.

Council Chair Rapozo: And that is all they do. They are not going to check all of these others. Just TVRs. Go on Airbnb, log on, and find what is being offered. I would love that job. I would. We would bring in so much money with the fines that you would not have to be asking Council for money to fund this going forward. I think once that message is out, I think that is the deterrent. I do not care how much money they have for lawyers. How are you going to contest...it is like driving around without a license plate. What are you going to tell the Judge? That is one of those that "Sorry pal, you did not have it on that day, and you are done. You plead guilty, you pay the fine, and you move on." That is what I am asking, nothing elaborate, no undercover secret service stakeouts. No. Just start with the sign because I have seen, and I have talked to you about this before. There are the north shore people that are out there checking these things out. The watchdogs. I have seen the photos of people using the same number on multiple homes.

Mr. Dahilig:

Yes.

Council Chair Rapozo: How are they going to contest that? What are they going to tell the Judge? "Hey, Judge, I lied, but they were not nice to me. I think it is unconstitutional." No, it is not. That is all I am asking.

Mr. Dahilig:

I think your request is fair.

Council Chair Rapozo: Again, we do not want to put the money in and you folks use it for someone else like before. Put the money in and just commit that is what we are going to do. Let us try two (2) people for six (6) months.

Mr. Dahilig:

Okay.

Council Chair Rapozo: \$25,000 a piece, \$50,000 contract, bingo, and I guarantee you will bring in more than \$50,000 in fines. Guaranteed. Is that reasonable?

Mr. Dahilig: I think it is definitely reasonable with respect to shutting those down that are illegal. No question.

Council Chair Rapozo:

The ones that there is no dispute, the ones that I

Mr. Dahilig:

It has been a learning curve concerning how we

Council Chair Rapozo:

I understand if you are going through one of these

A sign.

Council Chair Rapozo:

...a number. I cannot imagine a court would rule

I agree.

Council Chair Rapozo:

Let us just start with that, and then we can do an

Mr. Dahilig: Yes.

Council Chair Rapozo: That one, there is no excuse. Thank you.

Councilmember Chock: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Mike, I think you said it was \$30,000 that came in fines?

Mr. Dahilig: This last fiscal year. A little under \$30,000.

Councilmember Chock: How is that represented in terms of the amount of volume of infractions or illegal activity that you folks investigated? I am trying to get a sense of is it that the process is so stringent and now ending up in these contested case hearings, and you are not materializing the kind of fines that is reflective of your work? I am just trying to get a sense of it.

Mr. Dahilig: The fine authority for Counties when it comes to civil infractions comes from Hawai'i Revised Statutes (HRS) 46-1.5(24), and that section has one (1) letter at the end of the word notice, which means notices. So our ability to fine on first notice is preempted by the authority we get from the State. So a lot of times when we actually give the citation out to somebody that is operating illegally, it is a warning. So there is no monetized, I guess, value that comes back to the Department as a consequence of that work that has been done to shut them down.

Councilmember Chock: I see.

Mr. Dahilig: The fines come as a consequence of them after the first notice and if they keep operating. The difficulty with that is that they now know we are watching, so they play this game. After we good give the first notice, they say, "Okay, I ripped up my kitchen. I did all of these different things. I am not operating." But it requires a follow-up on our end if we want to chase the money down. So what the \$28,500 over the last fiscal year represents are those people we have caught the second time around, and we have pegged them with a fine and we actually collected it. When we issued the fine and this is in the case of one (1) particular owner that we have in 'Anini where they have illegal TVRs. They have taken our *manini* fine to contested case hearing. So in reality, what ends up happening is after we issue the first notice, they play the cat-and-mouse game with us, we issue the second notice with the fine, they take the fine to the Planning Commission, they appeal it, and then they hire lawyers that cost three (3) to four (4) times amount of the fine to actually try to stop us from shutting them down. So we have had to, in effect, look at trying to up the amount of our fines to actually create that deterrent level, but for those in areas like 'Anini, \$10,000 of a fine is a drop in the bucket compared to their weekly revenue of what they charge.

Councilmember Chock: Is the \$30,000 reflective of two (2), three (3), or twenty (20)?

Mr. Dahilig: That, I need to get you the information. I do not have that off the top of my head.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: I had a similar question as far as fines go. Do the fines justify our time and effort to fight the contested cases? If it might be for some cases and probably for not, then I do not know if you are going look to increase the fines to some other number.

Mr. Dahilig: It is difficult in the sense that the fine authority from the State, I have to check again, but I think it was pegged at \$10,000 for a civil fine. The only difference that we have is if it is a CZM violation, then we can go up \$100,000. But because of Airbnb being so lucrative, the deterrence element of having the authority only go to \$10,000 is almost like monopoly money for these people. That is the difficulty in us being able to chase them down. If you are asking do the fines that come in reflect a net zero fiscal impact to the County, I would say given the amount of staff time and the amount of people that I have chasing these people down, it is certainly, definitely not a money maker for the County at all.

Committee Chair Kaneshiro: Not just money, but just covering our time and our effort. Again, you made it clear. It is not even affecting these owners. The fines are not defraying them from wanting to do the operation that they are doing. I do not know.

Mr. Dahilig: It is frustrating in a sense. I think, it is like when we get these contested case hearings on the small fines, rather than having these people pay, they would rather flip the bird at us and say, "We are going to keep operating no matter what you want to throw at us." It is constantly a challenge. Are we as expansive and successful in being able to get the quantity of these things shut down? I would say no. Are we able to at least create a deterrence effect? It seems like at least that is happening with these operators continuing to try to adjust to our enforcement tactics. But is it actually yielding and shutting down the droves of these things? No. I am concerned about it just from a General Plan standpoint because these units take housing out of our inventory. So I get the net effect of what happens when you rent it to a visitor versus having housing available to our residents. So we try what we can with what we can, but it is a challenge.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just one (1) more comment. I was wondering as we move forward, a cost benefit analysis is important for us to consider and looking at other ways to solve this issue rather than what we have done in the past. I think it is worth the discussion and at least investigation of how things are happening across the Country. I know everyone faces this.

Mr. Dahilig: Yes. One (1) thing we did try to do was just like how the Department of Land and Natural Resources (DLNR) has authority, we did float a bill up to the Legislature this year requesting actual criminal authority, criminal citation authority, but that did not go much elsewhere outside of the House. The fact remains that the civil laws that govern our civil enforcement are very slow and fraught with the inability to really create a paradigm shift with these illegal operators. So criminal, or even the floated discussions about what taxation is a better approach to this. If you asked me is this approach to enforcement efficient? It is costing us a lot of money.

Committee Chair Kaneshiro: Just to follow-up, too, is the State looking to increase the fine or are Counties going in and trying to increase the fines?

Mr. Dahilig: I have not heard anything since then. I think in terms of where vacation rental enforcement has gone, this County has been further down the road compared to where Honolulu, Maui, and the Big Island are because they are understanding the disruptive effect of Airbnb on their visitor accommodation inventory. So I know whereas Hawai'i County five (5) or six (6) years ago was very passive concerning this because they did not feel it had an effect only their housing inventory, we are hearing their Councilmembers are now starting to talk about it, too because they are, in fact, starting to notice the effect on that. So how and what is the best way to do so would probably take a multi-County effort in discussing whether the authority for fining should be upped. I certainly would be in support of it because I tell you, if we had the authority to cite on first notice rather than second notice and cite up to a \$100,000 fine, people would think twice. But we are pushing the upper limits of our authority at this point.

Committee Chair Kaneshiro: Thank you. Are there any further questions for Planning? Councilmember Chock.

Councilmember Chock: Just in regards to the goals for 2018, I know the original plans focused for west Kaua'i, the Waimea, Kekaha, Hanapēpē, 'Ele'ele Planning Districts. I do not see an amount for consultants to go towards it. I just wanted to ensure that we have the resources available to complete this goal.

Mr. Dahilig: I know the Capital Improvement Project (CIP) discussion did happen this Wednesday. We are intending on...well, the Mayor has proposed that funds for this effort be included as part of the bond float. So as part of our goals preparing in the event that that is approved, and our intention though, in terms of the amount we are asking for is that the Department act as the prime consultant to try to save on consulting costs, and rather having us form out the more technical requirements or technical studies. After going through this process three (3) or four (4) times, I believe our staff has the capacity to run as the prime consultant and not require additional resources to have somebody provide that work for us. There is some discussion concerning whether we would look at Waimea, Kekaha, Hanapēpē, and 'Ele'ele as distinct separate communities, but under one (1) plan. I think our intention is yes, that is probably the case and a lot of that depends a lot on the infrastructure that is out there. That is why we are looking at them

collectively, but also providing the opportunity for distinct discussion of those communities, I think, is a balance we are trying to aim for.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Are there any further questions for Planning or for the Planning Commission budget? If not, thank you, Mike.

Mr. Dahilig: Thank you.

Transportation Agency

Committee Chair Kaneshiro: Next up, we have the Transportation Agency. Welcome, Celia. You do not have a presentation, right? So if not, we can go straight into questions if we have any questions on their budget presentation that they provided to us or any questions on the actual budget. We will start with the Administration budget. Are there any questions for the Administration budget? They have one (1) vacant position, Accountant Clerk, Position No. 9332.

CELIA M. MAHIKOA, Executive on Transportation: That, we thankfully have someone who started with us March 16th. Celia Mahikoa with the Transportation Agency.

Committee Chair Kaneshiro: So that position is now filled?

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: Are there any questions for Administration? If not, we will move on to Operations. Celia, there is a route match for \$50,000. I cannot find it in my notes.

Ms. Mahikoa: Utilities 10-07, I believe, in Operations.

Committee Chair Kaneshiro: Oh, yes, internet cable data. Can you just explain what that is for us again?

Ms. Mahikoa: The bulk of that was moved from, if you will note on the Telephone line item, it was \$47,000, which is now we are asking for, and we have moved most of the cost of having our tablets being accessed through Verizon. We have moved it to where it is more accurately describing what the service is, the internet, cable, and data access instead of going to the phone line item. So it needed to be increased by \$7,000 for this year, and then additionally, we moved \$43,000 of the \$47,000. We moved \$43,000 of that down to the Internet/Cable/Data and then needed to add \$7,000 in order to reflect the actual expenses we have been seeing to have those tablets active and service.

Committee Chair Kaneshiro: Is that a recurring expense every year?

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: Are there any other questions? I saw in the Information Technology (IT) budget and then I know you talked about it somewhere in here, that you have a system that is tracking the buses or tracking the passengers. Is that a new system?

Ms. Mahikoa: Back in March of last year, we installed the computer aided dispatch and automatic vehicle locator system. We purchased the software program, which involved and included the installation of the tablets on the buses. So that has been providing us the ability to track ridership electronically versus we were doing it on clipboards and paper in the past. So that is allowing us to automate that, as well as the primary function is the computer aided dispatch function, which has helped us to be able to schedule our rides and work with it to get efficiencies from the system on scheduling paratransit service.

Committee Chair Kaneshiro: So it tracks where the vehicles are and the drivers still need to put the passenger count in manually into the system, or is the passenger count somehow computerized now?

Ms. Mahikoa: We would like to get there some day, to have the ability to have it tracking who is getting on and off, but typically, it will flash onscreen on the tablet who you should be letting off at this point and who you should be allowing to board at this point. If it is on fixed route service, basically the drivers are keying in the counts at each stop, how many are disembarking, and how many are boarding at each stop.

Committee Chair Kaneshiro: Rather than keeping it on a clipboard or something.

Ms. Mahikoa: Right. It used to be pencil and clipboard style. Now, it also saves our dispatchers from taking those papers that come into the office and having to key them in at the end of the day. So that also helps to remove that manpower requirement.

Committee Chair Kaneshiro: Are there any other questions from the Members?
Councilmember Chock.

Councilmember Chock: Thank you for being here. Celia, how much do we spend on our paratransit operations?

Ms. Mahikoa: Paratransit, the overall cost of our budget runs probably around forty-five percent (45%) of our overall operating budget for the transit portion of what we do.

Councilmember Chock: With the introduction of Uber and these other services to the island, I have been hearing ideas float to the surface. I was wondering if you

folks have considered how coordination with these services might have an impact on the budget and how we might be able to utilize collaborative effort on our needs for this current program.

Ms. Mahikoa: That is an excellent point, and it is still so new to us that we are not sure exactly how it is going to be picked up by the community and how it will be utilized. Ultimately, when it comes down to public transit and paratransit service as we are operating it now, no one can compete with the price. So people are going to tend to...if the cost is the issue, they are going to be going with public transit. But there are certainly many conveniences that these services are going to be providing, and that existing services provide for individuals on Kaua'i that we do need to look at how best to integrate these additional services to best serve the community's needs.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Do you have a follow-up?

Councilmember Brun: Yes, it has to do with paratransit.

Committee Chair Kaneshiro: I have a question on the paratransit, too. We had a presentation by the consultant on some efficiencies that we could improve on paratransit. I think it would probably save the County a significant amount of money if we started moving towards those kind of programs or adjustments that we could make to the program. When do you anticipate implementing parts of the plan that they presented? I know it was still in draft form.

Ms. Mahikoa: Right.

Committee Chair Kaneshiro: It was still preliminary, but when do you anticipate implementing that?

Ms. Mahikoa: We anticipate getting the recommendations in the Short-Range Transit Plan as it is concluded near the end of this calendar year. Meanwhile, we are going to be going through extensive discussions with stakeholders, the agency providers, as well as yourselves later on this month to determine the best way to implement the changes that are truly needed in operating paratransit and providing. It is a critical service for many individuals and for others, it is nice to have, that we could look for more creative ways that serve the transportation needs and yet, do it in a more efficient way. So we are hoping that the recommendations that come out in that plan are well-accepted and from that point, we will be able to feel justified and feel that we have been able to get good input from all of the individuals impacted by it in order to proceed wisely with the changes that we make.

Committee Chair Kaneshiro: I know I look forward to that. If you look at the lowest hanging fruit, I think when we are costing \$75 a trip on paratransit and we are receiving \$1 for it, I think there is some fairness that can be had, I think, in the future. I

look forward to that. We may not be able to recapture \$75, but anything is better than \$1.
Councilmember Brun.

Ms. Mahikoa: Thank you.

Councilmember Brun: Are we looking at smaller vehicles for paratransit?

Ms. Mahikoa: There is a balance we need to maintain. So as of now, we are not. The smallest that we serve paratransit service with is the fourteen (14) passengers because ultimately, no matter how many people you are transporting on that bus or van, you are still paying that full-time driver whether he is transporting one (1) or he is transporting the full amount of fourteen (14) on that fourteen (14) passenger van. So we do our best to try to maximize the number of individuals on that fourteen (14) passenger van. However, again, there is a balance and we know that it costs money to operate these buses.

Councilmember Brun: My question is do we need a fourteen (14) passenger van? Can we buy minivans or the new vans with the high roofs? That is going to be way cheaper to operate than a big diesel van that that we are making \$2 off of for somebody to go shop at Kukui Grove.

Ms. Mahikoa: As far as that goes, our biggest expense as we all know going through these discussions, is the manpower. So if we are booking individuals in wheelchairs on there, we could probably get maybe two (2) to three (3) in a van versus if we are on a bus, we could also add on individuals who can walk on and board.

Councilmember Brun: But we still have only have one (1) person on a van.

Ms. Mahikoa: Occasionally.

Councilmember Brun: I understand we are trying to book more, but so far as paratransit, the most I have seen is one (1) person. I promise. I never saw more than one (1) person on a paratransit. Maybe I just do not see it all the time. The other day I was driving into work and I passed nine (9) buses from Kekaha. Four (4) of them were paratransit, two (2) of them were not in service, and three (3) of them had Kekaha/Līhu'e or wherever it was. What is the not in service? They are going to the west side, so that means they are not coming back to the station. What is the not in service?

Ms. Mahikoa: There are some times when they are not in service where they are headed out to go start the one hundred (100) to come back in. However, even if it says "Not in Service," if individuals call and they need a pick-up at certain stops, they will stop at the stops and pick up individuals.

Councilmember Brun: Okay.

Ms. Mahikoa: We do not make it a scheduled route all the time because that would add on the time and the demand. The regular demand does not justify adding on the extra hours for payroll.

Councilmember Brun: Okay.

Ms. Mahikoa: So again, there is that balance that we have in operations. Just so you all understand, going through the short-range transit plan, they are going through some pretty extensive details on things like that as well, and that is an excellent observation that you have that we are asking them to also help us with increasing the efficiencies of what we have going on right now and how we can change it to get bottom line, the greatest return on investment that we can on operating public transit for the community.

Councilmember Brun: Okay. Thank you.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: I know we approved switching positions from a full-time bus driver to on-call bus driver. Has that been implemented yet and how will it affect overtime? I know you came here presenting that it should help to reduce overtime because you have full-time bus drivers that may be calling in sick, then you need to get another full-time bus driver to fill their position, and that is all overtime. So you were thinking of increasing your on-call driver pool so that we at least get to save on that overtime cost. Has that been moving or going, or we have not been able to move the position yet?

Ms. Mahikoa: That certainly has been moving and we appreciate the approval of the six (6) additional on-call positions for us to recruit this year. We have had interviews. We are at the point of scheduling them for getting their pre-employment clearances and then from that point, we will schedule them to start up and go through the training sessions. It sadly takes several months in order to get someone to a point where they are actually lightening the manpower load from the overtime burden. So we are looking at the next two (2) to three (3) months that we should have them able to fill that role.

Committee Chair Kaneshiro: Sounds good. Are there any further questions for Transportation regarding Operations? If not we will move on to their Small Equipment Maintenance budget. It is on page 262. Councilmember Brun.

Councilmember Brun: Operations on the bottom says \$4,100,000, and on Small Equipment, it is \$4,800,000 right underneath the \$8,000,000 right underneath the \$275,230.

Ms. Mahikoa: I believe that is our entire agency General Fund budget. The \$275,230 is just Small Equipment, and then it adds to our Administration and Operations, I believe, to give us the \$4,800,000.

Councilmember Brun: And then the total would be that?

Ms. Mahikoa: Yes.

Councilmember Brun: Okay.

Committee Chair Kaneshiro: Are there any questions the for their Small
Equipment General Fund budget?

Council Chair Rapozo: What is the General Fund number?

Councilmember Brun: \$4,891,000. It is under Small Equipment.

Council Chair Rapozo: I know. I was just looking at \$133,000,000.

Ms. Mahikoa: Total General Fund. That is probably because we
are the last entry.

Council Chair Rapozo: Is that just the final?

Ms. Mahikoa: Yes.

Council Chair Rapozo: No, we still have Roads after you.

Councilmember Brun: So that is...sorry, Council Chair Rapozo.

Council Chair Rapozo: No. I am glad you brought that up. I did not
notice that and I am trying to figure it out.

Councilmember Brun: Is that Operation, Small Equipment, and
Administration added together?

Ms. Mahikoa: Yes, \$4,891,000.

Councilmember Brun: And that will make the \$4,891,000 that it is
showing?

Ms. Mahikoa: Yes.

Councilmember Brun: Okay, and on the last page, the \$2,900,000 is
coming from the Highway Fund.

Ms. Mahikoa: Yes, that is correct.

Councilmember Brun: Okay. So it is the Operations, Small Equipment,
and Administration that makes up the \$4,800,000?

Ms. Mahikoa: Yes, within just the General Fund category and beyond that, you have the Highway Fund category for Administration and Operations.

Committee Chair Kaneshiro: I do not know what that \$133,000,000 is either. Ken folks will probably have to check.

Council Chair Rapozo: Yvette just said that is the last page of the General Fund, and then we go into the Highway Fund.

Committee Chair Kaneshiro: Okay. Any further questions on the Administration Highway Fund? It says "Bus Match." Is that to purchase new buses?

Ms. Mahikoa: Yes.

Councilmember Chock: How many?

Ms. Mahikoa: That depends on how much we get as far as grant awards. If we get no grant awards, that would get us about three (3) to four (4).

Councilmember Chock: What is the goal?

Ms. Mahikoa: Our goal is sixteen (16) per year in order to keep a steady state of good repair on all our vehicles and keeping them within their useful life of operations that are recommended.

Councilmember Chock: Sixteen (16)? So we are far from that goal?

Ms. Mahikoa: If there are no grant announcements that come open. We are hopeful.

Councilmember Chock: So with the amount of grant funding, how much do you think you can get?

Ms. Mahikoa: We have seen \$500,000 come through in Federal Transit Administration Section 53-39 funds that have been consistent through the past. We can never project what is coming up in future, but if that is the case, we would be looking at \$1,100,000 worth of vehicle purchases.

Councilmember Chock: So about ten (10)?

Ms. Mahikoa: It would get us quite a bit closer to where we feel we need to be, but definitely not...

Councilmember Chock: But sixteen (16) per year is the goal?

Ms. Mahikoa: Yes.

Councilmember Chock: Thank you.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: Are there any further questions on Bus Match?
Councilmember Brun.

Councilmember Brun: Wait, I am trying to add this up really quick.

Committee Chair Kaneshiro: Okay. While he is adding, I will move on to the very last section and then we can go back for Councilmember Brun's question.

Ms. Mahikoa: Okay.

Committee Chair Kaneshiro: For the Operations Highway Fund, we have Repair and Maintenance (R&M) Buildings. It went from \$47,000 to \$87,000.

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: I know the \$40,000 was for driveway repairs.

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: And the previous \$47,000 that we have in there, is that just for miscellaneous building repairs or is that the number that...

Ms. Mahikoa: That is the previous \$47,000, I believe, was for our...we have the mezzanine that we are needing to expand the space available in our repair shop, and this provides the matching amount that we have. We have Federal funds that will cover eighty percent (80%).

Committee Chair Kaneshiro: So the \$87,000 is \$40,000 for the driveway and \$47,000 for mezzanine matching?

Ms. Mahikoa: That is correct.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Page 262 of the budget, do you have that? Underneath the Small Equipment Maintenance, it is \$275,230, right, for the year?

Ms. Mahikoa: Yes.

Councilmember Brun: The \$4,891,915, what is that number?

Ms. Mahikoa: The \$4,800,000?

Councilmember Brun: Yes.

Ms. Mahikoa: The \$4,800,000, I believe, should be our General Fund Administration of \$489,184 plus our General Fund...that is on page 255, plus our General Fund Operations, which is \$4,118,501, plus the Small Equipment Maintenance of \$275,230.

Councilmember Brun: Okay. I was adding the \$650,000. I was coming up with \$5,000,000. I was thinking it was kind of off.

Ms. Mahikoa: The \$650,000 is coming from the Highway Fund.

Councilmember Brun: Yes, I got it now.

Ms. Mahikoa: Okay.

Councilmember Brun: Thank you.

Committee Chair Kaneshiro: It gets confusing when we end up having to separate the General Fund and Highway Fund.

Councilmember Brun: I had the front page down and I was adding the back page.

Committee Chair Kaneshiro: Okay. Are there any further questions for Transportation? If not, thank you, Celia and Kalawai'a.

Ms. Mahikoa: Thank you.

Committee Chair Kaneshiro: I know I got a text that the Housing Agency needed a few minutes to get here. We will take a ten (10) minute caption break, we will take them, then we have the Department of Liquor after, and then we are done for the day. Ten (10) minute caption break.

There being no objections, the Committee recessed at 10:00 a.m.

The Committee reconvened at 10:14 a.m., and proceeded as follows:

Housing Agency

Committee Chair Kaneshiro: Next up we have the Housing Agency. Kanani, you do not have a presentation, right?

KANANI FU, Housing Director: No.

Committee Chair Kaneshiro: We have their budget presentation, and we will start on the General Fund Housing Programs. Are there any questions on the presentation or from the General Fund Housing budget? I have a question on Other Services page 253. We have \$100,000 for Pre-Development Fees. What is that for?

Ms. Fu: Kanani Fu, Housing Director. The Pre-Development fees at \$100,000 is used to do things such as for example, when we are looking at land opportunities, we can utilize this budget area for title searches, we can use it for appraisals, we can use it to conduct environmental assessments, and it is basically to do a bunch of things under the due diligence areas to determine whether or not we will either acquire the parcel or move forward with developing the parcel for affordable housing.

Committee Chair Kaneshiro: Okay. Thank you. Councilmember Chock.

Councilmember Chock: Kanani, the Buildings is \$100,000 with \$62,000 going to Waimea. The rest of the line items are part of Waimea's budget or is that separate?

Ms. Fu: The \$100,000 for R&M Buildings, all of that amount is for Waimea Theater with the exclusion of the \$25,000, which is for Housing Security Building Improvements. That is for the Housing Agency.

Councilmember Chock: For your Office?

Ms. Fu: Yes, our Office.

Councilmember Chock: Okay. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. Thank you, Kanani, for being here. The positions that I am showing on the vacancy report, I have Position No. 9534, Housing Technician, which is dollar-funded. That one has been vacant for six hundred fifty-three (653) days, I have Position No. 9537, which is Planner V, which is dollar-funded, and that one was vacant for one thousand two hundred (1,200) days, and then we have a Senior Clerk, Position No. 9541, that says fully funded by another source. So I am not sure. Are those federally funded?

Ms. Fu: Yes.

Council Chair Rapozo: Position Nos. 9541 and 9661.

Ms. Fu: Yes.

Council Chair Rapozo: What are your plans with the general funded positions, the Housing Technician and the Planner V?

Ms. Fu: So historically, Position Nos. 9534 and 9537 were funded with an allocation from General Funds and part of our 211 HCDR funds, which is disaster grant moneys. Those positions were tied to large projects such as the development of Pa'anau and the development of Kalepa. When those positions retired, we did not hire because we did not use General Funds to fund that. However in the upcoming year, we have several large projects on the books for us, specifically Lima Ola. We do intend and we would require an additional position to oversee that project, and to fund that, we would not utilize General Funds. We would utilize the financing or the funds that are contributed for Lima Ola. For example, a Defense Emergency Response Fund (DEFER) loan that would be done under the State or bond financing. So we have been asking and we have continued to keep that position open in the anticipation of large development projects that come to the Housing Agency, which will be Lima Ola and then the up and coming Ko'ai, which is scheduled to break ground in July.

Council Chair Rapozo: So those positions will be utilized with funding from external sources?

Ms. Fu: Historically, they have been funded with non-general funds such as HCDRF funds, and we do anticipate funding this with non-County revenues so a State DEFER loan or an infrastructure loan.

Council Chair Rapozo: So you create a temporary position for that?

Ms. Fu: For this?

Council Chair Rapozo: Yes.

Ms. Fu: We just kept it...

Council Chair Rapozo: No, hypothetically when Lima Ola comes, that will create the need for those positions?

Ms. Fu: Yes. We would go to the Vacancy Review Board and ask for this position. We may have to do a potential position description update to see the need.

Council Chair Rapozo: But that would become a temporary position utilizing external funding?

Ms. Fu: Yes and no. All of our employees in the Housing Agency are on contract. So we are on a year-to-year contract. So we could structure that position on a year-to-year, which is what we do with all of our positions currently in the Housing Agency.

Council Chair Rapozo: Okay. Thank you.

Councilmember Chock: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: So you do not plan on filling those positions until 2018 for these projects?

Ms. Fu: We do not have plans to fill this in Fiscal Year 2017, no.

Committee Chair Kaneshiro: Are there any further questions for the Housing Agency's housing programs? If not we will move on to page 339, the Housing Community Development (HCD) program. I guess as far as Special Projects go, can you just go through those three (3) bigger projects? Lima Ola, what is the \$100,000, Courtyards, and then just miscellaneous projects development.

Ms. Fu: Okay.

Committee Chair Kaneshiro: It is on page 340.

Ms. Fu: Yes. For example, if we are looking under Special Projects, the 'Ele'ele Lima Ola development, we do anticipate the entitlements process going through Fiscal Year 2018, which is why we included that there. Again, once we complete our permitting and our entitlements and we commence infrastructure build-out and construction, we would then utilize the financing through the DERF loan and the bond financing that we will be requesting. The Courtyards at Waipouli acquisition, we have done a request for resumes and we are looking to contract a professional to assist with the acquisition of Waipouli. We recognized in Fiscal Year 2018 to put some money there because there could potentially be services that we would need. For example, again, we may have to do some studies. We may have to do a market study, a rent analysis, and those kinds of things that would help to prepare for the purchase or to analyze whether or not we move forward with the purchase. Then, miscellaneous project costs and development, can be utilized for several things, mostly for environmental. We use it for that Phase I Environmental Site Assessment. We do, again, appraisals, title reports, the due diligence, and those kinds of things when looking for projects.

Committee Chair Kaneshiro: I am sorry. I might have missed it. On the Courtyards at Waipouli is it an acquisition for an entire building or certain units?

Ms. Fu: The Courtyards at Waipouli, there is currently eighty-two (82) units, and what we are requesting in our professional service for the proposal is to put together a financing plan. We had hoped to acquire the entire property and all of the units.

Committee Chair Kaneshiro: Okay. Are there any other questions from the Members? Councilmember Chock.

Councilmember Chock: I do not know if we can go back to the presentation.

Committee Chair Kaneshiro: Yes.

Councilmember Chock: Kanani, a goal for support community development for Fiscal Year 2018, Objective 1 is leverage Federal funds to implement housing programs and support community development activities. It is on page 6. In the past, you folks have helped with Kaua'i Economic Opportunity (KEO) this past year. We had this symposium to discuss how to also help other organizations with the houseless issue. Is that what this objective is focused on and how?

Ms. Fu: Under that goal, there is a variety of ways that the County leverages our funds with private-public partnerships. One (1) important example is through Community Development Block Grant (CDBG) funds that we have every year. That is an open application for nonprofits and for-profit organizations to apply for moneys whether it be for programmatic services or projects facilities. That is one (1) way. For example, things that have been funded in the past have been KEO, has been the renovations of transitional homes for the homeless, and has been for programmatic services. We also have worked with the Young Women's Christian Association (YWCA) rehabilitating their shelter for transitional housing for domestic violence and those things. That is one (1) area that is open to the public that they come and apply for. Another activity that we have, which is working with what is called the continuum of care, which is a group made up of several organizations that focus on the homeless issue. We have what currently being run is called the Tenant Based Rental Assistance (TBRA). In the continuum of care, it is a wrap-around service where we have case management, we have health services, and we have housing. So a large push has been to get these families housed and through the TBRA program, which is Federal funds, we can help the families apply. It is similar to the Section 8 rental program where we give a rental voucher and we house them. The goal is to transition them into a transitional housing and then put them into permanent housing.

Councilmember Chock: Okay. How much do you have budgeted for that?

Ms. Fu: For that program, TBRA, it is under our HOME Investment Partnerships Program (HOME) budget that comes from the Federal funds. Budgeted for the TBRA program right now, is flexible. We have \$210,000, but it can fluctuate. What happens with the HOME funds is we were allotted HOME funds in 2016 and it is meant to spread across three (3) years.

Councilmember Chock: Okay. So there was discussion about coordination with some of the faith-based organizations—that was maybe more than a year ago now. I was kind of on and off in those meetings because only two (2) of us can go. I was just wondering what occurred out of that and can we expect that kind of support for this issue?

Ms. Fu: With regards to the faith-based community?

Councilmember Chock: Yes. They were talking about trying to get over the hurdles of getting infrastructure in place to help service homeless.

Ms. Fu: So through the Housing Agency, and I am just speaking specifically to our funding, faith-based communities or services would need to go through the application process of the CDBG program or other programs we offer. It is open to others.

Councilmember Chock: I have not seen any of it happen, I guess, is what I am saying. Have you or do you know of any?

Ms. Fu: I do not recall having any of those kinds of organizations apply for this funding for this fiscal year funding, no. We do heavily advertise for the programs and we have of a variety of organizations, but I do not recall seeing that.

Councilmember Chock: I am sorry what was the line item that you said this was under?

Ms. Fu: The HOME. Funding for the TBRA program comes under the HOME Investment Partnerships Program for \$250,000.

Councilmember Chock: \$250,000.

Committee Chair Kaneshiro: What page is that? Is that in our budget?

Ms. Fu: I believe it is attached to your Appendix in the back of that. It would be page 9 of the detail.

Councilmember Brun: I have a follow-up to Councilmember Chock's question.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Some of the faith-based churches on the Westside were actually working directly with the Mayor's Office on that. They were talking to the Mayor about it, such as the Kaua'i Humane Society and some kind of open land. I know the Mayor's Office was in direct contact with some of the churches on the Westside.

Ms. Fu: I think a large part of what...just to follow-up with that, what is needed as well, not just money and infrastructure, but a lot has to do with potential policy and working towards creating better policy or allowing for that with planning, zoning, and those kinds of things.

Councilmember Chock: What kind of policy are you talking about?

Ms. Fu: If churches would like to participate in the buildout of units or in the buildout of utilizing their facilities, there is a policy level that needs to be addressed as well.

Councilmember Chock: *Mahalo.*

Committee Chair Kaneshiro: Are there any further questions? We will move on to Housing Revolving Fund. It is on page 359. Are there any questions on the Housing Revolving Fund? There is no change in it. If not, we will move on to Kalepa Housing, page 361. I did not have any questions for either of the housing projects. We have Kalepa Housing and Pa'anau Housing left. Councilmember Chock.

Councilmember Chock: The increase in Kalepa is in regards to replacement and repairs, is that correct, in the budget under Other Services?

Ms. Fu: Yes.

Councilmember Chock: The railing, window trim, and that kind of thing?
I see \$500,000.

Committee Chair Kaneshiro: Yes. The prior year was \$100,000 and this year it increased to \$500,000.

Ms. Fu: Yes. So to point out, at our properties, Kalepa and Pa'anau, which we manage and maintained exceptionally well over the last twenty (20) years, we do have a reserve or a rental reserve action plan. So we address the problem before it becomes a problem, and recognizing that the buildings...we do it through a variety of ways, the calculated life of materials of the buildings and physical walkthroughs quarterly. So we tend to address the issue beforehand and what we have noticed is that the building is almost in service for twenty (20) years, needs an update; painting, railings, wood rot, and those things. So you can see that increased here.

Committee Chair Kaneshiro: Are there any other questions for Kalepa? Are there any questions for Pa'anau? It is on page 363. I have a question on both of them. Is the State paying a larger portion of the salaries for the Program Specialist? I think prior years we used to pay twenty percent (20%) and now we are only paying ten percent (10%)?

Ms. Fu: Oh, out of this budget?

Committee Chair Kaneshiro: For both in the Pa'anau and Kalepa budgets.

Ms. Fu: So what happened is there were several things that happened. So now the Housing Agency took on a little bit more responsibility, and that has to do with having better oversight of our property. So we do have someone particularly assigned "at the asset management." So because that position's time was adjusted to service these projects more, we were able to justify increasing funding that position through these

projects. That is why you see the increase. Again, both of these projects are twenty (20) years old and there are several things coming up. We have major repairs and maintenance that need to be addressed. As things change, we are working on changing house rules, tenancy, and those kinds of things need to continually be addressed as these projects grow. Secondly, requirements on the projects change because restrictions years have ended. So State restrictions ended. We hit the fifteen (15) year mark and therefore, we are under a new set of requirements. So we need somebody to constantly monitor that to ensure both the rent rates are correct as well as who we put into the project, they have to have income qualifications as well.

Committee Chair Kaneshiro: I guess if you look at regular salaries for Kalepa, page 361 and regular salaries for Pa'anau, page 364, that Position No. 9532 position in prior years was about \$17,000 and it used to say twenty percent (20%) rather than ten percent (10%). So I guess my question was on that. Is the State putting in more money towards those positions, or we are just allocating the positions a different way?

Ms. Fu: We are allocating the positions a different way. Again, we have that balance, right, to kind of decrease some of our maintenance costs or our management costs, we can utilize who we have and then increase their position responsibilities there. To be very clear, Kalepa and Pa'anau are self-sustaining operating revenues for the Housing Agency. So Pa'anau currently receives no State assistance. So it is generated only on revenue and performance. So we have to assure and have really good oversight of that, managing that, and this person now does that, asset management.

Committee Chair Kaneshiro: Okay. Are there any further questions? That is it for the Housing Agency.

Councilmember Chock: I have one (1) more question.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Last night, Governor Ige spoke about how his priority is housing.

Ms. Fu: Yes.

Councilmember Chock: I just wanted to get a sense from you in terms of what we can take advantage of moving forward and what you see coming down the road that is in alignment with what the focus is on.

Ms. Fu: Sure.

Councilmember Chock: If any. I know it is kind of premature at this point.

Ms. Fu: No, it is not actually. Just to start off, we do participate at the State level with the Governor's various task forces. We have staff who sit

on the Homeless Task Force, Housing Task Force, and Rental Housing. So the Housing Agency and the County as a whole are participating in various areas with the State. Particularly how do we address homelessness in partnership with the State? Lima Ola. That is a project that is set to break ground. We are currently going through entitlements, but that is going to be our focus in Fiscal Year 2018. That is a true State/County partnership project where we are working very closely with the State agencies to go through entitlements and then we work with the State agency for different financing mechanisms that are available. We work with them on developing Hawai'i Housing Finance and Development Corporation (HHFC), our State partners. So we have that area. We are also working very closely with Transient Oriented Development (TOD). They have a task force that is building housing units near the core of transportation. So we have a parcel. We are working on siting in Līhu'e, and that involves not only the Housing Agency, but we have Planners in the County, we have Public Works, and people working with us. So housing is really a collective kind of...everyone is a part of it. It is not just the Housing Agency, and the County—a third of our funding is State and a third of our funding is Federal. So we rely heavily on those partnerships. We have been fortunate to have great project successes that spend our money timely because that is a key issue, right? If we get all of this money, we have to make sure we spend it and we line up projects. Then, the support that we get from Administration and the Council at the legislative level lobbying for us, supporting us, and those kind of things. It all works together for us.

Committee Chair Kaneshiro: Are there any further questions? With that, thank you.

Ms. Fu: Thank you.

Committee Chair Kaneshiro: That is it for you. Next up is the Department of Liquor Control.

Department of Liquor Control

Committee Chair Kaneshiro: Gerald, you are the last one on our list today. How fast can you talk? Do you have a presentation?

GERALD RAPOZO, Director of Liquor Control: I do not have a presentation.

Committee Chair Kaneshiro: Do we have any questions from the Members on the Department of Liquor Control budget?

Councilmember Brun: No.

Committee Chair Kaneshiro: I had one (1) quick question. There was not much change in the budget. I noticed buildings went up \$15,000. Can you just explain what that was for?

Mr. Rapozo: Yes, that would be for the...

Committee Chair Kaneshiro: Please state your name for the record.

Mr. Rapozo: Gerald Rapozo, Department of Liquor Control. That would be for the soundproofing of our meeting room. It was something that was budgeted a few years ago, but was never followed through on the building side. We have been asked again to pay for the soundproofing for the meeting room. The meeting room is not only utilized by the Liquor Control Commission. It is used by the Civil Service Commission, the Board of Ethics, and a few other Commissions. That is about it.

Committee Chair Kaneshiro: Are you planning to fill the one (1) vacant position that was recently vacated?

Mr. Rapozo: Yes, I am working with HR. Right now, we are going to be reclassifying that position back to a Trainee position for now so that we can fill the Trainee position. I will be working with HR in the next fiscal year to upgrade somebody to the Investigator III position.

Committee Chair Kaneshiro: Okay. Are there any further questions for the Department of Liquor Control? I do not see any.

Council Chair Rapozo: I do.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: It is not really about the budget, but legislation this year at the State where there were some attempts to change some of the laws regarding alcohol tax. Are you aware of any of them? Any instructions or are you aware?

Mr. Rapozo: That was supposed to be introduced by some kind of coalition, and from what I saw, nothing was introduced, and that was going to be specific to fund prevention and treatment. It sounded like a reasonable request, but somehow somebody dropped the ball along the way.

Council Chair Rapozo: It is kind of normal for the State. Anyway, that is all I have. Thank you.

Committee Chair Kaneshiro: Are there any further questions? If not, thank you Gerald.

Mr. Rapozo: Thank you.

Committee Chair Kaneshiro: I have a note. Just for your information to the Members, Staff, Administration, and the viewing public, as we have only one (1) Departmental Budget Review day left and given the remaining discussion that I anticipate, we will be canceling the Budget Call-Backs that were scheduled for April 11th, 13th, 17th, and

18th. I am making this announcement now as we need to provide the live stream and caption providers advance notice so as not to be charged. So BC, got it?

Council Chair Rapozo: Committee Chair Kaneshiro, I know there are a lot of people are out there watching, millions of people, and I am not sure it was said earlier, but Councilmember Yukimura's father passed away and that is why she is not here today. So obviously, our Council and Staff offer our condolences to the family and Councilmember Yukimura. Obviously, she has missed today, and today was the day that she wanted to be here, but unfortunately, her father passed away last night. Our condolences to the Yukimura family, and thank you.

Committee Chair Kaneshiro: I know the budget meetings went very fast. There is most likely going to be follow-up questions because I know Councilmember Yukimura did look over those budgets and was ready to have questions available. So we will have her probably E-mail those over. I think that is it. At this time, I would like to recess the Departmental Budget Reviews. We will reconvene at 9:00 a.m., Monday, April 10, 2017, where we will hear from the Department of Human Resources, Office of the County Auditor, and Office of the County Clerk.

There being no objections, the Committee recessed at 10:45 a.m.